

SENATE BILL 121

C3

2lr0013

By: **Chair, Finance Committee (By Request – Departmental – Maryland Health Insurance Plan)**

Introduced and read first time: January 18, 2012

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Senior Prescription Drug Assistance Program – Sunset Extension**

3 FOR the purpose of extending the termination date of the Senior Prescription Drug
4 Assistance Program; altering the period of time during which the subsidy
5 required under the Senior Prescription Drug Assistance Program may not
6 exceed a certain amount; and generally relating to the Senior Prescription Drug
7 Assistance Program.

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 14–106(e)
11 Annotated Code of Maryland
12 (2011 Replacement Volume)

13 BY repealing and reenacting, with amendments,
14 Chapter 153 of the Acts of the General Assembly of 2002, as amended by
15 Chapter 282 of the Acts of the General Assembly of 2005, Chapter 345 of
16 the Acts of the General Assembly of 2006, Chapter 509 of the Acts of the
17 General Assembly of 2007, Chapter 558 of the Acts of the General
18 Assembly of 2008, and Chapter 119 of the Acts of the General Assembly
19 of 2010
20 Section 13

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article – Insurance**

24 14–106.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (e) The subsidy that a nonprofit health service plan is required to provide to
2 the Senior Prescription Drug Assistance Program under subsection (d)(1)(iii) of this
3 section may not exceed:

4 (1) for the period of January 1, 2006 through June 30, 2006,
5 \$8,000,000;

6 (2) for fiscal years 2008 through [2013] **2015**, \$14,000,000; and

7 (3) for any year, the value of the nonprofit health service plan's
8 premium tax exemption under § 6-101(b) of this article.

9 **Chapter 153 of the Acts of 2002, as amended by Chapter 282 of the Acts of**
10 **2005, Chapter 345 of the Acts of 2006, Chapter 509 of the Acts of 2007, Chapter**
11 **558 of the Acts of 2008, and Chapter 119 of the Acts of 2010**

12 SECTION 13. AND BE IT FURTHER ENACTED, That:

13 (1) No later than June 1, 2003, the Secretary of Health and Mental
14 Hygiene and the carrier that is required to offer the Short-Term Prescription Drug
15 Subsidy Plan under Title 15, Subtitle 6 of the Health – General Article shall transfer
16 all Plan records, data, and other information necessary to operate and administer the
17 Senior Prescription Drug Program established under this Act to the Board of the
18 Maryland Health Insurance Plan.

19 (2) Each individual enrolled in the Short-Term Prescription Drug
20 Subsidy Plan, established under Title 15, Subtitle 6 of the Health – General Article, on
21 June 30, 2003 shall, at the option of the enrollee and subject to the payment of all
22 necessary premiums and copayments, be automatically enrolled in the Senior
23 Prescription Drug Program established under this Act.

24 (3) It is the intent of the General Assembly that the transition of
25 enrollees from the Short-Term Prescription Drug Subsidy Plan to the Senior
26 Prescription Drug Program be accomplished without interruption of benefits for
27 enrollees.

28 (4) Subsidies shall be offered to enrollees through the Senior
29 Prescription Drug Assistance Program established under Title 14, Subtitle 5, Part II of
30 the Insurance Article beginning January 1, 2006. At the end of December 31, [2012]
31 **2014**, the Senior Prescription Drug Assistance Program established under Title 14,
32 Subtitle 5, Part II, as amended, shall be abrogated and of no further force and effect.

33 (5) Beginning April 1, 2003, the carrier required to offer the
34 Short-Term Prescription Drug Subsidy Plan under Title 15, Subtitle 6 of the Health –
35 General Article and the Senior Prescription Drug Assistance Program under Title 14,
36 Subtitle 5 of the Insurance Article shall subsidize the Plan and beginning January 1,
37 2006, the Program, using the value of the carrier's premium tax exemption.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2012.